GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

UNSTARRED QUESTION NO:4258
ANSWERED ON:28.03.2017
Amendment in Agriculture Produce Market Committee Act
Ram Shri Vishnu Dayal;Sawaikar Shri Advocate Narendra Keshav;Vasava Shri Parbhubhai Nagarbhai

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) whether it is a fact that Agriculture Produce Market Committee (APMC) was established with the main objective to prevent exploitation of farmers by intermediaries and if so, the details thereof;

(b) whether it is a fact that APMC mechanism have failed to yield the desired results;

(c) if so, whether the Government has laid down any new system for improving the said marketing system and if so, the details thereof;

(d) whether the Government is considering to bring second edition of ideal Agriculture Produce Market Committee Act (APMCA) and if so, the details thereof;

(e) whether the purpose of Agriculture Produce Market Committee Act is to increase the income of the farmers by various measures like bringing contract farming out of the law and if so, the details thereof; and

(f) the steps taken by the Government to strengthen the Agriculture Produce Market Committees in various States of the country and to protect the farmers from exploitation?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

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(a) & (b) States mostly during sixties and seventies legislated Agricultural Produce Market Committee (APMC) Acts with the objectives to ensure reasonable gains to the farmers by creating environment in markets for fair play of supply and demand forces, regulate market practices and attain transparency in transactions. Over the time, these markets have become restrictive, monopolistic and thus failed to achieve these objectives fully.

(c): In order to promote competition and transparency in trading, reduce market asymmetry and ensure better price discovery to the farmers, Government, in addition to advocacy of reforms in States' Marketing Laws, has launched the National Agriculture Market (e-NAM)
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Scheme. Under this path breaking program, 361 mandis have already been integrated in 11 States for online trading of agri-produce which would ensure informed bidding by buyers and remunerative prices to farmers commensurate to quality of their produce.

(d): Yes, Madam. The salient features of the proposed model APMC Act, 2017 are placed at Annexure.

(e): In order to provide better price realization to the farmers and reduce post-harvest losses through integration of fruits and vegetable growers with agro- processing units, Union Finance Minister in budget speech for 2017-18 has announced to formulate a "Model Contract Farming Act". The Government has constituted a Committee in Department of Agriculture, Cooperation and Farmers Welfare to formulate a Model Contract Farming Act for adoption by States/UTs.

(f): APMCs are eligible for financial assistance under various schemes of the department such as Rashtriya Krishi Vikas Yojana (RKVY), Mission for Integrated Development of Horticulture (MIDH), Agricultural Marketing Infrastructure (AMI) a sub scheme of Integrated Scheme for Agricultural Marketing (ISAM). In addition to it the Government is providing financial assistance of Rs. 30 lakh to each APMC Mandi integrated with e-NAM to strengthen the hardware and software infrastructures including putting in place weigh bridges and assaying labs.